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LABOR PROBLEMS IN THE UNITED STATES DURING THE WAR

SUMMARY

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I. SPONTANEOUS EVOLUTION OF A GOVERNMENT LABOR POLICY

IN the preceding number of the Journal, an account was given of the labor adjustment machinery which had been called into existence and had begun to operate for dealing with labor disputes incident to production for war. It will be the object of this paper now to follow the work of these several boards since September, 1917, the date to which the account was carried in the earlier

article, to record the establishment of additional machinery of a similar nature, and to point out such distinct tendencies as seem apparent from an analysis of these developments. It will be a record rather than a critique of government policy.

In general, it may be stated, that the government, plunged suddenly into a production program of unparalleled proportions, calling for an amount of skilled labor far beyond the available supply, and calling further for multitudinous shiftings of workmen geographically as well as vocationally, has up to this time allowed the economic and social adaptations to come in the main spontaneously, and has acted only where, in the absence of such adaptation, acute industrial disturbances have developed. During the first eight months of participation in the war the government has allowed free interplay to the supply of and demand for labor. This free interplay, in a medium of rapidly rising prices, has brought about a sharp and unprecedented increase in wage scales, which in turn has attracted new labor with some strength into the expanding fields of government production. In other words, under the government's early labor policy in the war, spontaneous adaptation has thus far been allowed in the main to take the place of any strong, centralized controls directed toward preventing maladjustments and acute disputes, such as Great Britain adopted in 1915. Cure rather than prevention has underlain most of the definite developments so far evolved by the government, outside of the Arbitration and Conciliation Division of the Department of Labor, and the United States Board of Mediation and Conciliation in railroad transportation labor. Both of these last-named agencies had been established for years prior to America's entrance into the war, and have rendered important ser-

vice during war time. But during the closing months of 1917, as will presently be shown, there came to be established in different departments, administrative mechanism for the creation of sound labor conditions incident to production for the government, which under proper coördination can go far toward preventing sharp industrial conflicts.

The new devices (those outside the Department of Labor and the United States Board of Mediation and Conciliation) have, in the main, justified themselves. The board for adjustment of disputes in cantonment and other emergency building construction, established under the first arrangement ever entered into between the government and organized labor, finished its principal work with the practical completion of cantonments, and at the present writing finds itself with relatively little to do. The adjustment of disputes in shipbuilding and in the handling of traffic at the ports is carried on by the boards created for that purpose and described in the preceding number of the Journal; their work will be discussed in some further detail here in the following pages. One additional board of a similar nature, created by agreement between the government and organized labor, has come into full existence since September. All of these adjustment devices had their origin in special necessity in some field of production in which one department or another was principally interested. The appointment by the President of the Wilson Mediation Commission, presently to be described, is of a somewhat different character. It may be said to be the first concrete result, during the war, of an attitude toward the labor problem on the part of the President himself.

II. BRITISH PRECEDENTS

In Great Britain the war was already eleven months old when on July 2, 1915, the Munitions of War Act established a centralized labor policy, following up a number of diverse and disconnected grapplings with the labor problem. For convenience of comparison, and even at the risk of repeating familiar matter, the labor policy of Great Britain may be summarily described.

Under penalty against the individual workman, the munitions act forbade strikes in all munitions establishments without prior reference of the dispute to the Board of Trade (which has since been supplanted as to this function by the Minister of Labor). The Minister of Munitions might fix upon any munitions plant the status of a "controlled establishment." In these the principal controls were as follows. (1) Strikes were entirely prohibited. (2) Net profits were limited and excesses over the scheduled limit were to be paid into the Exchequer. (3) Wages, salary and other emoluments could not be increased without referring the proposal for such increase to the Minister of Munitions, whose disapproval would be final unless reversed on appeal by the Board of Trade. (4) Any rule, practice, or custom, not having the force of law, which tended to restrict production or employment was suspended in the establishment for the period of the war (the opening wedge for a general program for the dilution of labor, which has since been prosecuted by the government). (5) A workman in the employ of such establishment might not stop work and then obtain employment elsewhere unless he could produce a certificate from such controlled establishment that he had stopped work with its consent; without such "leaving certificate" his em-

ployment by any other concern was forbidden, except in cases specially provided for, within six weeks of his leaving the controlled establishment, or within such longer period as might be ordered by the Minister of Munitions. The "leaving certificate" was later modified and in 1917 was abolished.¹ (6) Penalties were provided, and munitions tribunals were established to deal with offenses and matters under the act.

The Munitions of War act also provided for the establishment of war munitions volunteers through a special agreement with the Minister of Munitions, by whom a volunteer might be compulsorily assigned at any time to such controlled establishment as might need his labor. The system for recalling skilled workers from the colors and assigning them in uniform to munitions work was also put into operation late in 1915. The Minister of Munitions early stimulated the establishment of training courses for munitions workers in technical schools, and actively encouraged the employment of women in munitions production by issuing, under the power given him by the Munitions of War Amendment act of 1916, orders with reference to standards of wages, hours, and conditions for labor by female workers. More recently the flow of labor to war-time production and its relation to war production have been further controlled in Great Britain by government limitations under the Defense of the Realm act on new employment in classified non-essential industries, and also by restricting the acquisition by non-essential industries of raw materials for manufacture.

Direct machinery in Great Britain for prevention and adjustment of labor disputes under the Munitions of War act as amended, and under other legislation, is

¹ Monthly Review of the Bureau of Labor Statistics, U. S. Dept. of Labor, December, 1917, p. 57.

briefly as follows. The Ministry of Munitions, which, in relation to disputes concerns itself primarily with prevention as distinguished from cure, maintains a numerous staff of Investigation Officers, whose duty it is to watch for incipient disputes and to remove the causes through mediation before trouble can become acute.¹ An active dispute is referred, in the first instance, to the Committee on Production, a body of six members, made up of two representatives from the employer and employee groups respectively, and two from the public, all appointed by the Prime Minister. The matter can then be referred to a single arbitrator, selected either by the parties, or, if they fail to agree, by the Minister of Labour. This Ministry is concerned solely with cure as distinguished from prevention, beginning where the Labour Regulation Department of the Munitions Ministry leaves off. If developments require it, the dispute is then carried to a special Arbitration Tribunal, composed of an equal number of representatives of employers and of employees, and of a Chairman appointed by the Minister of Labour. Altho there has continued to be industrial unrest among the workers of Great Britain, and altho the machinery for dealing with the labor problem has often failed to operate, and has sometimes broken down in operation, the British labor policy as a whole has beyond doubt been of incalculable assistance in producing war necessities. From the developments on this side of the water in industrial relations during war time, now to be discussed, it will be seen that the underlying principles of the British labor policy, or such functional equivalents of those principles as would fit into American conditions, must be established in this country if the war continues for any considerable period.

¹ Manuscript memorandum of June 18, 1917, from the Intelligence and Record Section of the Ministry of Munitions.

III. THE SHIPBUILDING LABOR ADJUSTMENT BOARD

In the months of October and November, 1917, the work of the Shipbuilding Labor Adjustment Board, for the first time since its creation in late August, 1917, took definite shape through its establishment of wages and conditions on the Pacific coast.¹ Early in October the shipyard workers of Seattle and of Portland were out on strike; while in San Francisco the men were at work following a few days' strike in September, under a tentative agreement which was to remain in force pending the Board's consideration of the dispute, or until November 12.

In Seattle, where the shipbuilders, generally speaking, operate under union conditions, the dispute centered on the wage scale, so that the principal feature of the board's hearings there consisted in investigations of costs of living. The board announced that it would postpone its decision until the completion of its investigations at Portland and San Francisco. The men did not return to work altho the request to do so was pointedly made. The local union of the Brotherhood of Boilermakers, Iron Shipbuilders and Helpers, numbering about 7,000 out of the 12,000 or more men involved, stood out against the other unions which favored a return to work pending the board's consideration of the case. This attitude of the local union being contrary to the intention of the agreement of August 20, 1917, under which the board was proceeding, the international president of the boilermakers' union, accompanied by the international presidents of the machinists' and patternmakers' unions, and by an international vice-president of the sheet metal workers'

¹ Cf. this Journal, November, 1917, p. 137.

union, appeared in Seattle, and these officials addressed themselves to the task of influencing the local boilermakers, iron shipbuilders and helpers to return to work. Thus was presented sharply at conferences and at open meetings of labor men the crucial question as to whether or not the local unions would conform to the agreement entered into with the government by their national leaders. By a small majority of recorded votes the local union of boilermakers finally favored resumption of work and there was thus averted a serious feud within that union, as well as an initial and damaging blow to the prestige of the Adjustment Board.

At Portland the situation was more complicated than at Seattle. Here the board performed an important constructive service; and here also the national labor leaders played an important part. The strike had been in progress upwards of a month. The wage issue the present was incidental. The union shop was the chief aim of the strike, an aim intensified undoubtedly by a distinctly hostile attitude toward union labor on the part of some of the employers in the maintenance of a fixed "open shop" policy. The memorandum of August 20, for the settlement of shipyard disputes, contained the following provision: "As basic standards with reference to each plant in which such construction is being carried on, the board shall use such scales of wages and hours as were in force in such plant on July 15, 1917, and such conditions as obtained on said date in such plant." In the course of the conferences, the union officials dropped their contention for the union shop upon the ground that the contention was contrary to this provision of the memorandum, since every Portland plant had been "open" on July 15.

The five day hearing at Portland was concluded by the concurrence of the employers and the union officials

in a written proposal addressed to them by the board.¹ The following essential conditions were agreed to: that concessions by either side were to continue as binding only during the period of the war; eight hours was to constitute the working day, with such rates for overtime as should be established by the board; a shop committee system was established, the employees to select their representatives by majority vote; grievances to be taken up by the committee of such representatives, first with the foreman, then with the superintendent, and lastly with the president; in the event of a failure to reach an adjustment through such course, the committee might then call in, for conference with the president, any representative whom it might select. Thus was opened up a way in which union business agents or other union representatives could negotiate directly with employers in the event that any shipyard should employ a majority of union men in its force. No discrimination was to be practised in the reemployment of men who had been engaged in the strike. All questions concerning the employment of apprentices was to be handled through the shop committee system. It is significant that simultaneously, and without any knowledge of the Portland memorandum, another shop committee arrangement, presently to be described (see page 369) was being confirmed in the Arizona copper district by the President's Mediation Commission.

At San Francisco about 25,000 shipyard workers were involved, also necessarily the 20,000 or more workers in city shops. The shipyard plants at San Francisco being all union shops, questions of wage and working conditions were paramount. Most of the condition

¹ The text of the agreement embodied in this proposal, and accepted by both sides, is printed below, p. 384.

questions were long-standing, and probably would lend themselves to adjustment only through elaborate study and investigation into the circumstances at each yard. The board left most of these questions for solution by its examiner for the San Francisco district, selected by joint action of employers and employees in accordance with the memorandum of August 20, 1917.

At the conclusion of its hearings at San Francisco on November 4, the board announced its decision upon a uniform wage scale for shipyard workers on the entire Pacific coast, both in steel and wooden shipyards. From the outset it was doubtful whether the local unions would accept and abide by the decision. The board's method of arriving at its determination of the new wage scale was recounted by it in the following paragraph:

In order to preserve the standards of living in existence before the war we took as a basis the rates on which employers and employees had united as shown by the agreements in effect June 1, 1916. To determine the increase in the cost of living from that time until October 1, we made use not only of the evidence presented at our hearings in the three cities but also of all other available material and investigations including Federal, State and Municipal reports. The wages fixed represent the wages current in the three cities, increased to conform to the ascertained increase in the cost of living.

Applying this method the board found that the cost of living had increased 31 per cent from June 1, 1916 to October 1, 1917; and adding this margin to the minimum scales for skilled workers in effect in Seattle, reached the minimum scale now adjudged by it to be proper. The overshadowing reason why the workers were dissatisfied with the award was that one of the steel shipyards in Seattle, and certain city shops there, on August 1, 1917 had consented to and had put into force a new set of minimum scales under a union agreement which, for machinists, for instance, named \$5.50

for an eight hour day as the minimum until January 1, 1918, after which date it was to be \$6.00. The machinist's minimum wage established by the board was to be \$5.25, to stand until August 1, 1918 or, in the event of a special reopening of the case until May 4, a difference of seventy-five cents a day. Pressure from the coast unions, growing out of this decision, resulted in important changes both in the wages which had been established by the board, and in the status of the board itself. On December 8, 1917, a supplementary agreement was entered into at Washington, between representatives of the Navy Department and the Emergency Fleet Corporation on the one hand, and on the other hand certain of the international presidents who had signed in August the constituent memorandum of the Shipbuilding Labor Adjustment Board. By this supplementary agreement, which recited that it supplanted the previous memorandum, the board was relegated to the status of an intermediate tribunal, the decisions of which were no longer to be final and binding, and could be appealed from to a Board of Review of six members, three representing the government and three representing organized labor. Some of the principal parties to this new charter for adjustment then entered into a separate memorandum agreeing that the decision of the Adjustment Board was to remain in effect only until February 1, instead of until May 4, 1918; that on and after December 15, 1917, a "war service premium of 10 per cent" per week, based upon the minimum rate for eight hours straight time, would be paid to each worker in Pacific coast shipyards who should work forty-eight hours in any six consecutive days, which premium should, after February 1, 1918, be converted into a permanent increase of 10 per cent of the board's rates. This supplemental agreement brought the ma-

chinists minimum per diem compensation, based on an eight hour day, to \$5.775.

Lately, the Adjustment Board has settled some minor questions at long range, through the action of the local examiners on the Pacific coast. A pronouncement of interest is its decision of December 21, 1917, laying down the conditions with reference to length of service which should determine when a house carpenter working at shipbuilding in Columbia River shipyards shall receive the prevailing rate prescribed by the board for shipwrights.

Future adjustments by the Shipbuilding Labor Adjustment Board will take place, it must be remembered, under unusual conditions. There is the possibility of action by the newly established Board of Review, as a court of appeal, this board being equally balanced in personnel between representatives of labor and representatives of the government. It will be of interest to observe what prove to be the results of this form of organization.

IV. THE INDUSTRIAL SERVICE DEPARTMENT IN SHIPBUILDING

In the meantime labor problems in shipbuilding are receiving affirmative treatment from another quarter. The Industrial Service Department of the Fleet Corporation is concerning itself with three branches of activity — expedited training of skilled workers, exemption of shipyard workers from military service, and improvement of employment management in shipyards. No similar plan for training shipyard workers seems ever to have been followed in Great Britain. At a large shipyard at Newport News, Va., the Fleet Corporation's Industrial Service Department is conducting a training school for teachers of the shipbuilding trades

in which an intensive six weeks' course is given to picked mechanics sent from the various shipyards. Seventy-two men were graduated from the first session and have gone back to their respective yards to establish a teaching staff and to organize expedited training of new mechanics. In the present class over one hundred and thirty men are in attendance from all over the country, some even from Puget Sound. The Fleet Corporation pays the expenses and time while at Newport News of these normal pupils who are under special contract to remain with their employers as teaching mechanics for at least six months following the period of training. In order to insure the popularity of the training course in the shipyards, the Fleet Corporation has provided that a bonus of fifty cents a day will be paid during the training period to those receiving training. This plan of expedited training does not contemplate the sudden evolution of a helper into a full-fledged mechanic, but is intended particularly to adapt quickly to shipbuilding, mechanics from such wood and metal trades as are cognate to the shipbuilding crafts. For this reason the training plan if pursued judiciously may not encounter serious opposition anywhere. Organized labor seems, up to this writing, not to have indicated any opposition to it. Its potentialities are large for producing out of workers in non-essential trades a rapid increase of skilled shipbuilders.

The Industrial Service Department has a branch devoted to improvement in employment management at shipyards. Unstable conditions in a new and expanding industry, and the continual outbidding among employers competing for the labor supply, have produced in the past six months a most wasteful passing of labor through the great war industries. The Industrial Service Department found that a plant employing an

average of twelve men a year for every position, or in other words, having a "turnover" of 1200 per cent, was by no means a rarity. The art of employment management has grown up recently, based largely upon the policy of finding for each man, gradually, if necessary, the place in the plant where his capacities and his personality will best fit, and of eliminating from his shop life and from his living conditions, so far as possible, influences which pull him down and make him discontented and hostile. It is a problem in selling the job to the man every day; a problem in emotional complexes, in regularization, in production. The Industrial Service Department, by conferences, by placing experienced men in employment managerships, and by correspondence with the shipyards has undertaken to improve conditions of employment management, with a resulting reduction in "turnover" which in some plants has been marked.

These two affirmative methods of handling the war-labor problem, developed in the shipbuilding work, and also, as will be seen later, in ordnance production, have not been borrowed from Great Britain; they are distinctly American. Employment management problems are treated under the British Ministry of Munitions by the Investigation Officers, as incidents to field investigations of trouble; but even in the controlled establishments the government has worked out no such psychological prophylaxis of working conditions in each plant as is being projected here. The Welfare Section of the Ministry of Munitions, by bringing about the employment of women welfare supervisors in controlled establishments, does influence directly the standards for women workers. But the American campaign for improving employment management is not a "welfare" movement; it is the application of a scientific

remedy to a production problem and it extends to all workers. From the social-economic results of such developments there can be no essential retrogression when the war is over.

V. LONGSHOREMEN

The arrangement for settlement of disputes among longshoremen at the ports has worked out satisfactorily up to date. As pointed out in connection with the account of its establishment, a new feature of the arrangement was the local adjustment commission at each port. These local commissions, by the effectiveness of their handling of disputes, strengthen the impression produced by the effective work of the local examiners operating under the Cantonment Adjustment Commission, namely, that wherever possible resort should be made to representative local men who command respect in a community by reason of character and impartiality. Their position is strengthened if it is part of a national labor policy; but there is great advantage in their being local. At New Orleans a serious dispute was preceded by demands of longshoremen for materially higher wages, accompanied by new and rigid limitations placed by longshoremen upon the amount of freight which would be handled per man. All matters in dispute were handled by the local commission of three, one representing the Fleet Corporation, the second the International Longshoremen's Association, and the third the carriers. The decision dealt with wages, which were increased, and with working conditions, and has been acceded to by both sides. It laid down the rates per hour for the handling of different classes of freight and also defined certain conditions of work which should obtain at the docks. The Galveston commission was also called upon on October 9 to deal

with a strike on the docks of one of the large coast lines at that point. The decision dealt with wages, which were increased, and with working conditions, and this too has been accepted by both sides.

At New York the local adjustment commission could not be constituted as at other ports, because of the position of the employers at the docks. They maintained that they had not signed the memorandum for adjustment of disputes and were not bound by it, and that the Longshoremen's Association was not entitled to a representative on any local commission because it did not have a majority of the workers on the docks. This difficulty was solved by an agreement on the part of all parties to submit a serious dispute which was pending at that time in New York to a committee made up of a representative of the Shipping Board, a representative of the Department of Commerce and a representative of the Department of Labor. This commission conducted an extensive hearing in New York with reference to wages, hours, and conditions at the docks, at the conclusion of which on November 15, 1917, it announced complete minimum scales of wages and also an outline of working conditions (1) for harbor and river docks and passenger vessels, (2) for ferryboats, (3) for tidewater boats, and (4) for lighters and barges. On December 28, the New York commission was called upon to adjust another dispute with reference to wages paid by a steamship line at New York and Brooklyn.

VI. MUNITIONS AND SUPPLIES

After the establishment of the machinery for adjustment in war production in the summer and early autumn of 1917, the establishment of some general plan of a similar nature for dealing with disputes in connection

with the production of munitions and supplies was looked for. Up to the present time various attempts to set some such general plan on foot have failed of success. During October, however, there was consummated an adjustment device in one field of supplies production, namely, harness and saddlery for the Quartermasters' Department and for the Ordnance Department in the War Department. This commission was to be composed of four members, of which two were to be appointed by the Secretary of War, to represent the public, one by the manufacturers, and one by the United Leather Workers' International Union; one of the members appointed by the Secretary of War to be designated by him as Chairman; the Commission to adjust all differences between contractors and employees engaged in the production of articles under agreements to which the United States was a party. It was provided that in the event that any changes in wage scales should be made by the commission, compensatory adjustments should be made in the interest of the contractor in accordance with the recommendations of the commission.¹ The agreement was signed by practically all of the contractors having harness or saddlery contracts with the War Department. The Secretary of War appointed under it an officer from the Quartermasters' Department and also one from the Ordnance Department, the officer to sit in any particular dispute being determined by the department interested therein. This agreement presents several interesting departures from those preceding it. But it has this fundamental feature in common with the others, that a direct representative of organized labor sits in council over the wages to be paid to the workers. The contractor has a representative, as is also the case with

¹ For text of the agreement see page 386.

reference to the longshoreman's board. Up to the present (January, 1918) the board has handled two disputes and has also done some service in the standardization of wages.

The Board of Control of Labor Standards in Army Clothing, working under the Quartermaster's Corps, may be treated in connection with labor adjustment for munitions and supplies production. The adjustment of disputes, however, has been its minor function. Its work since October, 1917, has been primarily constructive and preventive, altho its usefulness has been greatly impaired by reason of the fact that the workers in the clothing industry are divided into two bitterly opposed unions — the United Garment Workers of America, affiliated with the American Federation of Labor, and the Amalgamated Clothing Workers, a strong "secessionist" organization. Largely because of this division, the member of the board of three who has represented the interests of labor, instead of being from the labor group, is the General Secretary of the National Consumers' League, appointed by the Secretary of War. In the adjusting of the five labor disputes which it has considered the board has been confronted with situations of considerable complexity, and its success has not been marked.

As in the case of the Cantonment Adjustment Commission, the corner stone of the board's power to keep the peace in industry, has been the contract between the government and the clothing contractor. So long as the government continues production on the private contract system, and would avoid following the British precedents as regards the commandeering of plants and the compulsion of labor, industrial peace and continuity of production can hardly be secured unless the government obtains under its contracts for production the right to control the contractors' labor policies.

The next step needed in control must, in the absence of statute, be also obtained through the medium of the contract. If the contract while naming the minimum wage which is to be paid by the contractor, leaves him free to increase his wage, the way is left open for contractors to outbid each other for labor and to produce in that way a continual condition of unrest. There are government contracts where the price to the contractor is based upon certain schedules of prices for raw material and of wages for the labor to be employed on the work, and where the government agrees to pay additional costs incurred by the contractor by reason of necessary increases in costs of material or increases in wage scales; with the proviso, that such increases in order to form a basis for claim for additional compensation must be approved in writing by the government. So great is the temptation under present conditions, for a contractor to make a quick "turnover" of his capital, that at times in order to attract labor from his competitors, he will increase his wages beyond his schedule without even obtaining the consent of the government to such increase. Serious labor disturbances in war production have resulted, and such occurrences must be frequent unless some mode of control is introduced. The only practicable method which suggests itself is to state a maximum wage in the government contracts as well as a minimum wage, and to provide that the contractor shall make himself liable for losses caused to the government by reason of the contractor's exceeding the maximum wage without authority. There is a certain implication of oppressive rigidity in such a course which may prove a source of strong opposition from labor unless the government accompanies it with a fair method of wage determination. But given such a method, it would seem that the dangers of the maximum scales in govern-

ment contracts are not serious enough to constitute a real objection to their use. As yet there seem to be very few government contracts which contain such clauses, accompanied by the agreement of the contractor to remain within their limits.

The only general approach to regulation of this kind is in a form of army clothing contract authorized for the Quartermaster's Corps on October 31, 1917. Altho containing no maximum wage feature, it seems to enforce the most thoroughgoing governmental control yet evolved through the medium of a contract. It recites that the contractor has qualified as such, by reason of his compliance with proper labor standards, which he promises to maintain throughout the period of performance; that the Board of Control shall at all times have access to the plant and to the contractor's books for inspection, and may cancel the contract on account of the contractor's maintenance of improper labor standards; that labor disputes shall be subject to adjudication of the board, its decision to be final, and in the event that it increases wages by way of settling disputes or otherwise, such increase is to be the basis of a claim for additional compensation to the contractor. The most significant feature of the plan of the Board of Control's work, however, has had to do with the wage scale. Because of the recent large and successive increases in labor cost it has become the practice in contracts to recite that the contract price is based upon a schedule of wages attached and that, if it becomes necessary to increase wages beyond the schedule rates, the contractor will increase the price to correspond with the consequent increased labor cost. The wages so scheduled have customarily been, both in private and in government contracts, the wages prevailing at the time in the vicinity. Here the Board of Control originally

planned to inaugurate a most important step toward insuring industrial peace, namely the promulgation in the army's newest clothing contracts of schedules of minimum piece rates based not upon the then prevailing rates, but standardized throughout the clothing industry upon the basis of exhaustive investigation by the board's experts. Where operations are encountered in piece-work making for which there is more than one established method of production, rates were to be scheduled for each operating method. Wages carefully determined in this way are not likely during the period of the average clothing contract to need revision. Still, opposition to this policy of wage-making would doubtless have appeared, and the progress of this particular experiment of the Board of Control like other important constructive steps would probably not have been entirely smooth.

The board's other previsory work, with reference to conditions, has been based upon inspection — as regards safety and sanitation, child labor and prohibition of home work. Inspection of home work, child labor and sanitation has generally been by the board's own inspectors, but in New York City the Municipal Bureau of Fire Prevention has made reports to the board, while in many other localities the boards of fire underwriters have done similar service. Up to December 15, 1917, one hundred and twelve firms had been inspected by the board; of these sixty-five were approved, eighteen were entirely disapproved, while twenty-nine were partly or conditionally approved. Where approval was not given, the board's report stated the specific changes which must precede a shop's approval for a contract; in this way firms have been influenced in a number of instances to improve materially their labor standards.

In the latter part of January, 1918, the Quartermaster General, in the course of establishing an industrial service section (along lines similar to the section in the Ordnance Department, presently to be examined) dissolved the Board of Control, retaining its chairman in its place as administrator of labor standards in army clothing. This rearrangement in the Quartermaster's Department will also bring about, in the clothing contract just discussed, material changes, not yet determined.

VII. THE INDUSTRIAL SERVICE SECTION IN ARMY ORDNANCE

A highly important plan of preventive work against labor disturbance, in course of development for the War Department's operations, is that of the Industrial Service Section of the Ordnance Department. When it had become evident in the latter part of November that the producing agencies of the government were not combining upon an organized method for insuring sound industrial conditions for production, the Ordnance Department of the Army took the initiative and began the formation of a special section for dealing with the labor problem. Previous to this time, on November 15, 1917, the Chief of Ordnance had laid a foundation for this course, by issuing to his arsenal commanders and to contractors doing work for his department a public statement urging the recognition and maintenance in all shops of a high standard of labor conditions. This statement, under the title of "General Orders No. 13,"¹ modeled somewhat upon the reports issued by the British Ministry of Munitions and incidentally citing Great Britain as an example, emphasized the advantages to be gained in effectiveness of production

by rational conservation of labor power through high standards as to hours, wages, sanitation, holidays, and the like. A special section of the circular having reference to the employment of women urged the eight hour day, the prohibition of night work, an ample period for meals, the Saturday half-holiday, the providing of seats where possible, the limitation to twenty-five pounds of weights to be lifted, the payment of wages equal to men's wages for equal work, and the prohibition of home work.¹

As the first expression from the Ordnance Department of a distinct attitude toward the labor side of production, General Orders No. 13 was important. But the Department's more recent creation of the Industrial Service Section is the concrete realization of a constructive labor policy. This section is principally preventive, altho it has the adjustment function as one of its activities. Probably without any conscious intention on the part of its organizers of following the pattern presented by the British Ministry of Munitions, the Section has yet developed under a similar plan, combining the functions of the labor supply and labor regulation departments of the Munitions Ministry. If allowed to develop further, it will probably point the way for the formulation of methods to be followed by any central government machinery which may be created for dealing comprehensively with the war labor problem. Grounded directly upon the planning section of the Ordnance Department, it has several divisions. The first is administrative; the second is informational, for collecting statistics on labor requirements and labor supply, and for conducting research on standards of

¹ For the official summary of General Orders No. 13 see page 387. A statement substantially identical was issued on November 19, 1917, by the Quartermaster-General as "Circular No. 18" to Depot Quartermasters, Inspectors, and Contractors.

wages, conditions and performance of labor and methods of handling labor in production. The third is the employment management section, which will undertake to improve methods of employment management by making a study of each plant, its system of " hiring and firing," and the working conditions and living conditions of the employees. Arrangements have been made with Dartmouth College, which has for several years been conducting courses in employment management, for short intensive courses to be given for arsenal officers and men sent from the management staffs of various munitions contractors who are preparing to coöperate in the plan. The fourth department of this section is for adjusting disputes. Fortunately the acute situations in ordnance production have of late been so few and of such a nature as to admit of being handled by one officer, so that up to this time there has been no pressing necessity for the creation of a representative quasi-judicial board for this work. With the exception of the department to be separately considered in the next section of this paper the Department of Women's Work completes the organization of the Industrial Service Section up to this time. If the Section is now allowed to push its work steadily it can, as pointed out above, become the proving laboratory for a central government agency dealing with labor in war production, which is to be expected as a development within a few months.

VIII. HOUSING

A further function of the Industrial Service Section in the Ordnance Department deserving special attention, relates to the supply and distribution of labor, partly by wage standardization, partly by improvement of transportation facilities, most of all by housing arrangements.

The problem of transporting workers is being approached in distinctively American fashion. By quick, ingenious adaptations of existing suburban transportation facilities, the Supply and Distribution Department of the Section has already relieved labor shortages in munitions plants and, in more than one instance, has made unnecessary the construction of new housing facilities which the situation seemed, upon first survey, to demand. A bill is now pending to permit the requisitioning of street and interurban railways and the increase of their facilities for effecting better transportation of munitions workers.

Special attention is being given to the housing problem. Here again we find both British tutelage and American invention. For many years Great Britain has carried on large housing projects through its cities, and during the war, owing to the sudden concentration of workers at many points, has entered on housing operations of great magnitude. These housing undertakings of Great Britain at munition centers have gone far toward reducing some of the worst problems of war-time labor. During the first six months of America's participation in the war, even with the British example before it, the government at Washington, took up the housing policy in none of its producing departments. Now, however, both the Fleet Corporation and the War Department have large housing projects under way. While the question is not settled, the trend of opinion in the producing departments seems to be in favor of permanency for the workers' houses to be erected, whenever conditions permit. Whether or not we shall see in these housing projects any approach to the artistic grouping and design which have appeared in such British developments as are to be seen, for instance,

at Woolwich and Easttriggs in England,¹ is a question. But with the example of England and the extensive American literature dealing with her activities in this direction, we can hardly fail to profit in America, to some extent at least, from British precedent.

Inordinate rents sometimes produce as much waste of labor power through discontent and instability as do inadequate facilities. At some points the rents have followed an upward course corresponding so closely with wages as to absorb a large proportion of every increase. Some remedy should, if possible, be found. A possible resort is the principle of the Fair Rents Act of New South Wales, enacted in 1916.² This law establishes a Fair Rents Court. Any lessor, or any lessee not in arrears, may apply to the court to have the fair rent of the dwelling-house leased by or to him determined, fair rent to be established with a view to producing a net rent, of not more than $2\frac{1}{2}$ per cent above the rate of interest charged on overdrafts by the Bank of Australia, nor less than that rate of interest, and to remain in force three years. But a principle of this kind could be applied by the federal government only in territory theretofore taken under its control under its war power, and in any case would doubtless be too cumbrous in execution. If the government should be ready to take control of areas surrounding shipyards and munitions plants, it could, with more practicability, requisition the residences within them and house workers in them on its own terms.

The housing situation at munitions centers illustrates vividly the fact that if the labor problem is to be handled effectively, it cannot be done without a cen-

¹ See *Journal of American Institute of Architects*, September, October and November, 1917.

² See the *Journal of the Society of Comparative Legislation*, New Series No. xxxviii, July, 1917, p. 63.

tral organization for guiding the production program. During the first months after April 2, 1917, the various producing departments, and even various agencies within the same department, were placing their contracts with little regard for the contracts which other governmental departments or agencies might have placed in the same city or district. Such contracts in many cases, as at Bridgeport, called for the erection of new plants. The consequence was that workers swarmed into some cities in numbers far exceeding their housing facilities, while in other cities, well fitted for similar production and with adequate facilities, the production capacity was not even strained. A large proportion of the most responsible mechanical labor is not mobile and thousands of this class are even today withheld by maladjustment of contracts and by their own inertia from contributing their power to the national effort. In the war production industries at such contract-glutted points as Bridgeport, Conn., Wilmington, Del., and Norfolk, Va., there are wretched living conditions due to overcrowding, and there are also impressively high percentages of labor turnover and a low percentage of efficiency. The Industrial Service Section in Army Ordnance now plans to prevent the placing of contracts where they are already thickly planted. But clearly this illustrates the sharp necessity for a central agency which can insure priority in the placing of contracts as between government producing departments and can also provide, on a statistical basis, that contracts are placed where the back pressures of labor scarcity or of the housing problem will not set in. From the point of view of the preëmption of materials, particularly such as chemicals and rare metals, the same considerations argue for a central director-umpire over competing war production de-

partments. The British Ministry of Munitions is more than such an agency, since it is directly charged with production; but geographical allocation of contracts with reference to the labor supply has from the first been one of its concerns, while it has frequently moved manufacturing establishments from one point to another in order to bring about a better industrial equilibrium. It is to be hoped that the central labor agency which may now be expected to evolve at Washington, will be closely integrated with the technical planning and progress-recording work of the several governmental producing departments.

IX. OTHER ADJUSTMENTS AND TENDENCIES

There are some other events and some discernible tendencies, either relating to the government's treatment of its war labor problems or resulting partly from them, which are of such importance that some reference at least should be made to them here.

On December 26, 1917, when the President, by proclamation assumed control of the railroad systems of the United States, the Director General of Railroads found a disturbed situation in the demands and plans of mechanics working in railroad shops. About 150,000 workers are included in the following six organizations, which compose the "Mechanical Department of the Railway Employees' Department" of the American Federation of Labor: the International Association of Machinists, the International Brotherhood of Boilermakers, Iron Shipbuilders and Helpers, the International Brotherhood of Blacksmiths, the Amalgamated Sheet Metal Workers of America (including pipefitters), the International Brotherhood of Electrical Workers, and the Brotherhood of Railway Carmen. This depart-

ment of the Federation of Labor, commonly known as the "Railroad Shopmen," has been organized into a compact group only since 1912, and has not succeeded in gaining a foothold for collective bargaining on some large railway systems, as for instance, the Louisville and Nashville Railroad Company, the Illinois Central, the Atchison, Topeka, and Santa Fe, the Southern Pacific Railway and the Union Pacific Railroad. None the less, it has won a sufficiently strong position to be able to make contracts covering most of the trunk line trackage of the United States. These contracts are not made for a fixed period of time and are terminable on thirty days' notice; they are frequently effected with a "system" of roads by an entire group of unions as a unit, through the railroad shopmen. The ultimate aim of the shopmen has been to bring about collective and simultaneous bargaining between all shopmen's unions and all railroads in one universal agreement, covering the country; and the policy of having contracts terminable on thirty days' notice is probably pursued in part with a view to being able at any time to terminate all agreements with single roads and to substitute for contracts so abrogated, a "blanket" agreement between all railroads and all railroad shopmen as two contracting units.

According to the Interstate Commerce Commission statistics, the wages of shopmen in 1915 and 1916 were nearly stationary. Taking the machinists' wage as an index, all railroads showed an average wage over the entire country of about 40 cents an hour, in the two years between June, 1914, and June, 1916.¹ Since that time there have been large advances. Agreements between railroads and shopmen in May and June, 1917,

¹ See 27th and 28th Annual Reports on Statistics of Railways in the United States, pp. 27, 28 in both.

on the thirty day cancellation basis, were founded in general upon a scale for machinists east of Chicago of from 50 cents to 52 cents an hour, and west of Chicago of from 52 cents to 56 cents an hour. In the meantime, the cost of living has increased considerably and the shipbuilding program has just brought the machinists' compensation in Pacific coast shipbuilding yards, as has been seen above (see page 344), to $72\frac{1}{4}$ cents an hour on an eight hour day basis. Under such circumstances dissatisfaction was to be looked for. The Director General of Railroads found that the Michigan Central was confronted with a strike of shopmen which had been voted on January 2, involving about 1,400 shopmen. On the Chicago and Great Western a demand for compliance with the western standards had been followed by a call for a strike on January 8, about 1,800 shopmen being involved. The most serious situation was with reference to the entire western district — roughly speaking the district west of Lake Michigan and of the Mississippi River. A demand had been made for a minimum of \$5.00 a day, or $62\frac{1}{2}$ cents an hour for an eight hour day, for men in the metal trades; a minimum of \$4.50 a day, or $56\frac{1}{2}$ cents an hour for an eight hour day for carmen in classifications where an apprenticeship is served; and of \$4.00 a day, or 50 cents an hour for an eight hour day, for other experienced carmen. The matter had gone so far that a general strike vote had been taken, on all roads on which the shopmen are organized, and a meeting had been arranged at Kansas City for January 14 for making final arrangements for a concerted strike.

The Director General at once took up the situation with one of the Executive Council of the shopmen and a preliminary understanding was reached which averted the immediate difficulties and will probably lead to

adjustment. The fact that five out of the seven members of the Executive Council of the shopmen had been signatories and active supporters of the arrangement under which the Shipbuilding Labor Adjustment Board had been operating doubtless contributed to the success of these negotiations.

Mention should also be made of adjustments which have been successfully made in connection with wages of coal miners. Here the government has had the active support and assistance of the officials of the United Mine Workers of America, one of the constituent bodies of the American Federation of Labor. In October the President of this union gave up his position, and came to Washington as an assistant to the Federal Fuel Administrator; in that capacity he has since been of signal service.

This case (the public service of the president of the Mine Workers) is one of several of a similar nature. In August the president of the Building Trades Department of the American Federation of Labor was invited to become and did become a member of the Emergency Construction Committee of the War Industries Board, which has had the responsibility of recommending contractors for work on the cost-plus-percentage basis, in emergency construction for various branches of the army. His participation was brought about through the influence of the Cantonment Adjustment Commission, which had discovered that the accidental choice of a material proportion of contractors with a particular hostility to union labor was making it unnecessarily difficult to maintain generally open shop conditions. About the same time an official of the Granite Cutters Union became a member of the War Industries Board of the Advisory Council of National Defence. Later, the vice-president of the Brotherhood

of Railway Trainmen and an official of the International Typographical Union became members of the Food Administration. Again, when the Advisory Commission of the Council of National Defence organized a Commission on Housing, the secretary-treasurer of the Building Trades Department of the American Federation of Labor was appointed a member. These selections have distinctly influenced the attitude of a large section in the labor world toward the government's war work. In some instances they can be traced directly to the presence of labor men on the adjustment bodies. In any case the presence of labor men on administrative bodies is of fundamental importance, because it begets a confidence that the labor standards set up under government auspices are established with due regard to the claims of labor. It must be admitted, however, that the presence of labor officials connected with the American Federation of Labor on government boards does not always assist the government in dealing with certain classes of disputes. For instance in connection with the Board of Control of Standards in Army Clothing, it was necessary to exclude such representatives from membership, because of the presence in the production field of a strong rival organization. Again, the situation in the far West and certain parts of the seaboard, in connection with the handling of freight and the operation of ships, where the International Workers of the World are strongly organized, the presence of American Federation of Labor officials on government boards is a hindrance rather than a help. This was illustrated by the inability of the President's Mediation Commission to deal with the extremely grave conditions interfering with the production of spruce and other lumber in the Northwest. Some different way of handling such problems must be devised.

A settlement of interest to the entire country was effected in the eastern part of the state of Washington about the middle of December, through what may be called a spontaneous adjustment. For a number of years there has been a seemingly irreconcilable conflict between the timber workers of the state of Washington and the lumber operators. The underlying causes for the condition were to be found in irregularity of employment, in isolation, in bad housing conditions and in a scale of wages which, considering all these grounds for complaint, was too low. For a year or two the contest raged particularly about the eight hour day; not so much a protest against long hours, as a measure for increasing the day's pay through the application of overtime rates. The International Workers of the World have been strongly organized in the lumber camps and they have made their principal fight on that issue. In 1917 the lumber operators, who had contended that the granting of the eight hour day would lead to their being excluded from competition in the north central states with the southern yellow pine producers, obtained the introduction by Senator Jones of Washington and by Senator Poindexter of the same state, of two separate bills for preventing the passage in interstate commerce of lumber upon which labor employed has been permitted to work more than eight hours in any day. Neither of these bills progressed toward enactment. None the less, in the early part of December, 1917, the lumber producers of eastern Washington voluntarily adopted the following program, to be applicable to that vast area of timber land of eastern Washington and northeastern Oregon known as the "Inland Empire." First, the eight hour day was established in all mills and lumber camps, effective January 1, 1918. Second, the lumber operators were to

organize and at once employ an experienced labor expert to install at each camp and mill a labor department, headed by a manager trained, if possible, in the modern methods of employment management, who was to take over all authority of "hiring and firing," leaving no such authority to the foremen. Third, the association of operators should at once undertake in their plants a standardization of camp sanitation, of labor camp recreation, and of the camp mess; and fourth, the association would coöperate with the University of Washington in the maintenance of a short course of instruction for employment managers. Certain members of the faculty of the University of Washington have been largely instrumental in bringing about this arrangement; and one of them has been selected by the Secretary of War to bring about if possible some similar adjustment of labor conditions on the coast, where the lumber operators are still maintaining the nine and ten hour day and have made no substantial concessions as to working conditions. The tension there is especially grave on account of the interruption to the spruce industry, upon which the aircraft program of the army is largely dependent.

An account of labor adjustment during war time would be incomplete without some reference to the effective work done under the state councils of defense at various industrial centers. The most conspicuously successful work in this direction probably has been done under the Committee on Public Safety in Massachusetts. But this field of activity is perhaps outside the scope of the present discussion, which is concerned mainly with national developments.

X. THE PRESIDENT'S MEDIATION COMMISSION

Up to this point we have considered only those quasi-judicial bodies for the adjustment of labor disputes which rest on voluntary agreements entered into between the government on the one side and organized labor on the other. The Cantonment Adjustment Commission was the forerunner, based upon the first agreement ever entered into between representatives of the United States and representatives of labor; and this has been followed by a series of bodies erected upon similar principles. In the operation of these extra-legal bodies, as we have seen, there has been an insistent recurrence of the problem as to the extent to which local unions involved in a dispute would yield their right to strike in pursuance to agreements made by their national leaders. Actual settlements came to be made through local agreements of which the frame-work was prepared by the national board and which were signed by local employers and local union officials. Examples of this were at Portland in the settlement of the ship-building strike and at seaboard ports in connection with longshoremen strikes.

The President's Mediation Commission is quite different. It is the only national labor adjustment body created under war conditions which is not based upon a contract between the government and national labor leaders in the American Federation of Labor. Altho it is too early to appraise its work, owing to the comparative recency of most of its activities, one feature of that work is conspicuous, namely, the repeated resort by the commission in the settling of disputes to the promotion of local agreements between the employers and the local unions.

On September 19, 1917, at a time when there was much unrest and not a little violence in different parts of the far West, the International Workers of the World being largely concerned, President Wilson addressed a memorandum to the Secretary of Labor, stating that he was desirous of bringing about some kind of working arrangement in the mountain region and on the Pacific coast for the elimination of labor difficulties, and that for the accomplishment of that purpose he was appointing a commission of five to visit localities where disagreements had been most frequent. The commission consisted of the Secretary of Labor, two representatives of employers and two of organized labor, together with a secretary specially designated. The President requested that the commission visit, in each instance, the governor of the state to advise him of the commission's intentions and that it "deal with employers and employees in a conciliatory spirit, seek to compose differences and to allay misunderstanding, and in any way that may be open to them show the active interest of the national government in furthering arrangements just to both sides. Wherever it is deemed advisable conferences of employers and employees should be called with the purpose of working out a mutual understanding between them which will insure a continued operation of the industry on conditions acceptable to both sides."

The Commission left Washington on September 29, 1917, and went directly to Arizona, where serious disputes were in progress in the copper mines. That copper field produces somewhat more than 25 per cent of the total copper output of the United States, and a considerable proportion of the operations had been discontinued owing to strikes which had been in active progress for a period of two to four weeks prior to the arrival of the commission. The Arizona copper field is

divided into several districts. In some of these districts the American Federation of Labor had promoted organizations to an extent practically negligible; while the Clifton District was organized to about 90 per cent of the man-power, and the Globe-Miami District was organized to the extent of from 30 to 40 per cent. The International Workers of the World had developed considerable strength in the Bisbee District and in one or two others. For a year or more machinery has been in existence for dealing with grievances of workers, not through any agreements between the employers and labor organizations, but through rules promulgated by the employers. These arrangements were similar in the various districts, in providing for a grievance committee which was to bring complaints to the attention of the employers, and in providing for a mediator to be summoned in the event of necessity. The rules thus instituted by the mine owners also set forth in some fullness the general standards governing wages, hours, and conditions. The disputes were largely concerned with demands for higher wages, but they also involved labor conditions. As a general policy, the commission built upon the machinery which it found already in existence; amplified and considerably strengthened the rules already in force for dealing with labor disputes, and by procuring the express written acceptance of the code thus created both by the employers and by representatives of unions, affiliated with the American Federation of Labor, transformed the code into what was in effect, a working agreement between employers and employees. The principal provisions of the working agreement which was thus established by the Mediation Commission at Clifton, Arizona, are as follows: (1) Each company is to continue to recognize the existing grievance committee for each mine or department, the dis-

trict committee to be discontinued. (2) A United States Administrator and two alternates are to be appointed by the Commission. The administrator who was named is one of the most successful commissioners of mediation and conciliation connected with the Department of Labor; his success in handling mining disputes in the past decade has been conspicuous and his influence in the Arizona section is already well-established. The two alternates are men who enjoy a high standing in Arizona, where they are residents. (3) When an individual worker is not able to secure an adjustment of his personal grievance he shall have the right to apply to the United States Administrator with the same force as tho his case had been presented by the grievance committee. If the grievance committee and the management have been unable mutually to adjust differences in dispute or if the grievance comes direct to the United States Administrator through an aggrieved worker, the decision of the United States Administrator shall be final and binding upon both parties. Workers may have their case presented by representatives of their own choosing. (4) There shall be no discrimination between union and non-union men. (5) After the mine shall have reopened and the work shall have been thoroughly reestablished, the Administrator shall institute an investigation into the wage scale of the district and determine if an adjustment be necessary "having regard to efficiency or lack of efficiency and to the present cost of living, as well as to the financial ability of the companies." In the event that the Administrator determines that wages shall be increased he shall recommend to the President of the Mediation Commission a new wage scale applicable to the entire district. If the wage scale thus recommended by the Administrator allows a fair profit to the companies

under the existing price of copper the President of the Commission shall at once promulgate such new wage scale and the companies shall pay all increases provided for by such new scale as of the first day of the return of the men to work. If it should develop that the wage scale awarded by the Administrator does not leave a fair profit to any company under the existing price of copper, the President's Mediation Commission shall recommend to the President that such company be permitted to obtain an increased selling price which will enable it to earn such fair profit; and the scale recommended by the Administrator shall not be made effective by promulgation by the President's Commission until such increased selling price has been obtained. In order to fix the wage scale and in order to determine any possible discrepancy between a fair profit and the actual profit the Administrator shall have complete access to all the records of all the companies and shall have authority to employ such expert assistants as he may deem necessary. (6) Neither strikes nor lock-outs shall take place during the period of the war.

With the exception of the provision making the final establishment of the increased wage contingent upon a higher price being obtained for the product in the event that the increased wage, upon the basis of the fixed price, prevents a fair return, the arrangements established by the Commission in the Jerome, Bisbee, Warren and Globe-Miami districts were substantially similar to the arrangement at Clifton. Work in the Arizona fields has been resumed, with a fair approach to a normal output. As yet no increases in wages have been established by the United States Administrator in that district.

The Commission also made investigations in the Pacific coast states with reference to labor conditions, particularly in the mining and lumber industries, on the

basis of which it made reports to the President. Its admirable and successful intervention in the telephone strike, which involved the telephone service in California, Oregon, Washington, Idaho and Nevada, need not be treated here, since the activity concerned is not primarily one of war time production. An attempt was made by the Commission to deal with the labor situation in the northwestern lumber camps and mills, but numerous conferences closed without definite results. The situation is extremely complicated, presenting as it does, not only grievances of labor organizations affiliated with the American Federation of Labor, but also long-standing complaints of the International Workers of the World, a section of labor with which this commission was not well fitted to deal on account of its containing two high officials of the American Federation of Labor, with which the I. W. W. has often been on terms of hostility.

In early December a serious situation had arisen in the packing plants. The trouble centered at Chicago, but extended out to the branch packing establishments in a number of Middle West states. The Mediation Commission succeeded in making an agreement direct with a number of international unions, affiliated with the American Federation of Labor.¹ As in Arizona, a labor administrator was agreed upon, to act as arbitrator, his decision to be binding upon all parties to the agreement. It is to be noted that this agreement does not bear the signature of any of the employers; a circumstance which necessarily makes the effectiveness of the agreement dependent upon the influence which the Mediation Commission can bring to bear upon the packers in the event that a dispute is submitted by the workers to the administrator for arbitration and a decision is rendered

¹ The text of the agreement is printed below, see page 390.

by him adverse to the employers. For this reason, and also because of continued unrest among the employees, the outcome in this industry must be awaited.

XI. THE DEPARTMENT OF LABOR

Important developments occurred during the last few weeks of the year 1917, looking toward wider scope of the Department of Labor and of the Secretary of Labor, with reference to the regulation of labor in war-time production. There have been two views, conflicting somewhat, with reference to the function of the Secretary of Labor and of his department in connection with such activities. One view may be said to have been the one presented to the administration informally by members of the labor department of the British Ministry of Munitions, who visited this country in the autumn of 1917. It is that the proper agency for dealing with the regulation of labor during the war is the producing departments of the government. It is this view which led in Great Britain to the establishment of elaborate labor regulation machinery under the Munitions Ministry, leaving the adjudication of actual disputes as the only function with reference to labor lying outside of the Ministry of Munitions proper. The other view is that the Department of Labor is the natural agency of the government at Washington for dealing with labor problems, and that the war presents a natural occasion for strengthening the department and extending its usefulness. Three branches of activity important for this work have been well launched in the Department of Labor since it was established in 1913. First, a well organized department of statistics; second, a department of arbitration and conciliation; and third, a labor exchange or employment service. None of these

activities has been sufficiently supported by Congress to enable it to flourish strongly, yet they have already done valuable work.

The principal argument in support of the British view as applied to the American situation is that the Department of Labor has no direct connection with the departments of the government engaged in production of ships, munitions and supplies, and that such a dislocation must necessarily discount largely the usefulness of the Department of Labor in dealing with labor problems arising in these other departments. So much as this can be said with certainty: if the Department of Labor, or if the Secretary of Labor is to be entrusted with the administration of labor matters in connection with production at this time, such administration must have, for its foundation, machinery within each department so connected with the planning and progress-recording work as will give to the labor administration during every moment an intimate insight into the actual conditions bearing upon production. If this cannot be accomplished, then it would seem that the British view is the correct one; that the labor problem in war time must be treated as primarily a production problem and that it should be handled directly under such part of the administration as is directly vested with responsibility for production.

Since the early summer of 1917 it has been plainly evident that some responsible agency should be at work offsetting the violent maladjustments of the labor supply, many of which are direct results of the disturbed conditions of war time. This necessity first became apparent in connection with the wasteful migrations of labor which took place in various sections of the country during the building of cantonments. Irresponsible newspaper advertisements in cities throughout the

country, inserted by contractors or by employment agents, brought to the cantonments at a number of points hundreds of workers who could not be used. In many cases, having been subjected to the expense of long travel and of advance fees paid to employment agents, they actually became subjects of local charity before they could get employment, or were able to return to their homes. The same process has been repeated at shipyards and at munitions plants.

Obviously it was for some central agency to prevent such occurrences if possible, to collect accurate information as to the exact labor necessities, present and prospective, of the various contractors working for the government, and by judicious advertising in sections known to have a superfluous labor supply to bring labor to the points where needed in the amounts needed. To be successful, such a service must be based upon a real knowledge of the needs of each department. In order that the needs of each department may be known, in turn, each department must conduct a thoro planning system, which can translate its work at any future period into man-power. By reason of its progressive policy of the two years preceding, the employment exchange service of the Department of Labor was an instrument which could have been adapted to such use in the summer of 1917, had the producing departments of the government been in a position to avail themselves properly of such service. The Department of Labor did exert some influence upon the situation, but was without resources and without coöperation sufficient to be of any great use in the emergency.

In the meantime, efforts were being made to procure an appropriation for the Department for this specific purpose. On October 6, 1917, in the urgent Deficiencies act, Congress responded with the allowance to

the Department of Labor of the sum of \$250,000 for carrying on its work of conducting labor exchanges.¹ Obviously the sum was inadequate, but fortunately the President was in a position to supply the needs of the Department of Labor out of his own emergency fund by transferring to it the sum of \$850,000. With such resources as a beginning, the Department is in a position through its employment exchanges and allied activities to do effective work in assisting the government to obtain solutions of the recurring problems of labor supply and distribution. This it can do particularly if it will base its work upon a firm and generous coördination with each of the government departments upon which the prosecution of the war depends.

Brief mention will suffice for the bill now pending in Congress, and supported by the American Association for Labor Legislation, for a complete remodeling of the country's entire system of labor exchanges and an amalgamation of the state agencies with those of the federal government. The future of this measure is uncertain. If legislation such as it proposes is enacted, an important new chapter in labor history will open.

For several months prior to January, 1918, it had been fairly apparent that some central directing force was necessary in connection with labor for war production. Considerations, many of which have been referred to in the foregoing pages, had been impressing themselves upon the attention of all who concerned themselves in any direct way with the labor problem. Perhaps the need for such an administrative feature would have

¹ The appropriation was worded as follows: To enable the Secretary of Labor, during the present emergency, in addition to existing facilities to furnish such information and to render such assistance in the employment of wage earners throughout the United States as may be deemed necessary in the prosecution of the war, including personal services in the District of Columbia and elsewhere, per diem in lieu of subsistence at not exceeding \$4, traveling expenses, and rental of quarters outside of the District of Columbia, \$250,000.

been less insistent if the producing agencies, particularly in the three principal war-making departments, had adopted some method for avoiding congestion of orders, or in other words if they had pooled the labor supply, while at the same time submitting to some umpiring agency the determination of priorities of labor demand in fields of production where labor is insufficient. In November and December of 1917 the working of the Industrial Service Departments of the Fleet Corporation and of the Ordnance Department had already begun to be felt, yet it was clearly recognized that their work must be coördinated in order that the departments should not be in competition. To this end, informal attempts were being made in the month of December for bringing about the establishment of an inter-departmental council, under which the industrial service departments, to be constituted in all producing departments along the lines projected in Army Ordnance and referred to on page 354, would meet and coördinate their standards and policies. The next implication of such a plan was the eventual establishment of some central director, both of labor and production, to whom the inter-departmental council would be advisory. On January 8, the following official announcement was made, by authorization of the Chairman of the Council of National Defence (the Secretary of War) and the Secretary of Labor:

As a result of a series of conferences on the subject of labor policies, the Council of National Defence submitted to the President a program for war labor administration. This program has been approved by the President and he has, accordingly, requested the Secretary of Labor to undertake this administration and to provide for this purpose the following agencies:

1. A means of furnishing an adequate and stable supply of labor to war industries. This will include:
 - (a) A satisfactory system of labor exchanges.
 - (b) A satisfactory method and administration of training of workers.

- (c) An agency for determining priorities of labor demand.
- (d) Agencies for dilution of skilled labor as and when needed.
- 2. Machinery which will provide for the immediate and equitable adjustment of disputes in accordance with principles to be agreed upon between labor and capital and without stoppage of work. Such machinery would deal with demands concerning wages, hours, shop conditions, etc.
- 3. Machinery for safeguarding conditions of labor in the production of war essentials. This to include industrial hygiene, safety, women and child labor, etc.
- 4. Machinery for safeguarding conditions of living, including housing, transportation, etc.
- 5. Fact-gathering body to assemble and present data, collected through various existing Governmental agencies or by independent research, to furnish the information necessary for effective executive action.
- 6. Information and Education Division which has the functions of developing sound public sentiment; securing an exchange of information between departments of labor administration; and promotion in industrial plants of local machinery helpful in carrying out the National Labor Program.

Some of these agencies already exist in part in the Department of Labor. For example, the mediation service, the system of labor exchanges and the Bureau of Labor Statistics can be utilized to the extent they are found useful in carrying out the new program.

It is the purpose of the Secretary of Labor to undertake the work outlined above on an adequate scale. He will call to his assistance as advisors and administrators a well-balanced corps of men of high standing, representing capital, labor and the public. These persons will assist him in formulating and efficiently executing policies which will command the approval and support of employers, employees and the public throughout the United States. The Secretary and his advisors will give early attention to the question whether Congressional action shall be requested.

The Secretary of Labor will bring this new service into touch with the needs of the various departments of Government, including the Shipping Board, in order that labor policies may be made uniform and that the service thus established under the President's order shall adequately meet the needs of the present emergency.

XII. A FEDERAL WAR LABOR ADMINISTRATION

Here, then, after many months, is the first formal step by the government looking toward a central machinery covering the entire area of government production. It is to be hoped that a structure (whether or not based upon the announcement just quoted) will be erected so strong and so flexible as to withstand the strains that will surely be put upon it. Clearly it must include in its personnel representatives of labor, and in its workings must be based upon a close relation to the planning and progress-recording sections in the several departments. If it intends to perform throughout war industry the function of adjusting labor disputes, it should not impair, without the full sanction of the labor representatives, the adjustment boards which have been erected and are now operating upon the basis of agreements between organized labor and the government. That it should furthermore not impair such industrial service organizations in the government departments as have already been established on a basis of efficiency also seems clear; nor is it likely that this would be done. And in pursuance of a consistent policy, similar industrial service sections which have been planned for navy ordnance, quartermaster corps and aircraft, should be developed without delay.

Taking up in their order the principal items of the program quoted above — the work of procuring labor through the labor exchanges for the various agencies of government production must be founded upon a close coöperation with the planning departments which systematically translate advance production programs into man-power requirements. Any method for training workers must necessarily follow in the main the

principles which have been established already in the shipbuilding industry, where it seems to have been demonstrated that the expedited training of workers can best be carried on in the shops, especially where the pupils are principally skilled men from cognate crafts whose training is to consist mainly in adaptation. Questions of priority of labor lead to the relative claims of producing departments — claims to materials of which the supply is limited and claims to expedited transportation. And these lead further still into vital questions of war policy, which must be decided by those directly responsible for the carrying on of the war — questions as to whether men, food, or munitions are to be given precedence in the use of materials and of transportation facilities. Under proper planning of any given period in war, these priorities must be settled before a labor administrator can decide the right of this or that department to priority in the available labor supply.

No matter what primary function of the proposed labor administration is considered, it is with production that we must begin and end. At first blush, this may seem to imply a disregard for the maintenance of labor standards. But any real retrogression in labor standards is no longer to be feared; we have passed the danger point there. In a swift mental flux such as war alone seems capable of producing, the public mind, largely through the intellectual leadership of the President, has realized an idea which in peace times was still struggling in vain for acceptance — the idea that “welfare” is not charity but efficiency. It is important of course that the workers have strong representation through their governmental spokesman and friend, the Secretary of Labor, and through leaders of the workers themselves who now hold so strong a tactical position that they can hardly fail to retain all genuine welfare

standards on which they insist. But it appears certain that labor standards are in no such danger as would justify the placing of a labor administratorship outside the main current of production into a position where its effectiveness would be impaired.

The chief of the labor administration must wield two kinds of power — the executive power to require information possessed by the officers of the producing sections of the various departments, and authority at least coördinate with that of the head of the executive department within each producing section, to control the action of officers in those sections. This is his executive function. And he must also wield the judicial function with reference to priorities in the labor supply and to conflicting labor policies. He must have authority also over the officers who would be called upon to carry out a decision adverse to their departments. If the labor administrator has not these powers he will inevitably become a figurehead. There seems to be no escape from the conclusion that the labor administration should be a sort of federation of industrial service sections, their respective directors to be advisory to the administrator, but to be subject to his control and to submit to him their conflicting interests for adjudication and apportionment. Such an administrator can be answerable to the President alone, or to some other functionary representing him, be it munitions minister, war cabinet, or other executive agency whose responsibility extends over production in all of the departments.

The Department of Labor under such a temporary emergency system would still have work far beyond its present scope. It could build up its labor exchange system, supplying craftsmen for the government program, and workers from non-essential production for assignment by the labor administrator to expedited

training; it could stimulate special training in public trade schools over the country; it could carry on and extend its mediation work through assigning its agents directly to the industrial service sections of the producing departments; and carry on a continuous investigation and inspection with reference to the maintenance of labor standards in government work, and broaden its already admirable Bureau of Labor Statistics. If the Secretary of Labor, as an individual, were to serve as part of such a labor administration, the closely correlated and effectual coöperation of the Department of Labor in munitions production would be assured.

But this is not all. Certain problems will have to be worked out through the labor administrator as production problems, if the government is to pursue successfully its purpose to avoid hereafter the seizure of establishments and the constraint of labor, and to obtain at the same time a high degree of labor efficiency.

First, the government should have in all its contracts, whether heretofore or hereafter entered into, the clear right to control the contractor's labor standards. To import this right into contracts already let, the War and Navy Departments should be empowered by Congress to requisition and modify their contracts.

Second, if the war continues for any length of time, the problem of continuity of employment of workers must be dealt with. Under private ownership, a management of production has been tolerated which entails the untold economic waste of seasonal fluctuations of work, wasteful migrations of workers and demoralizing periods of idleness. The efficiency engineers have pointed out how, in many industries where these conditions have prevailed, foresight in buying raw materials, in booking orders and in manufacturing can effect a regularization of production which would insure a steady

use of man-power throughout the year. Organized labor in the past has accepted the temporary "laying off" of skilled men as a necessary evil of privately operated industry. But when the government becomes in effect the employer, and especially when idleness is necessitated by the government's own failures in furnishing fuel or materials, or by its own production policies, will labor be laid off from the pay-roll as well as from the shop? Even in private industry the trend of opinion is being now seen when many large employers are shouldering the wages of men over the shut-down period, when the government is prohibiting the use of fuel. The scarcity of skilled labor will doubtless influence the solution of this problem and we may well expect to see a new public attitude toward it before the war is over.

Third, the government will have to deal with the low percentage of efficiency which is appearing to an alarming degree in many munitions plants, and particularly in many shipyards. In some cases this has been due to labor union restrictions, in others to apathy or to hostility owing to continuous agitation, most of it doubtless quite free from connection with enemy agents. It has been partly due to a suspicion of profiteering by the contractors. Congress should help to remove that suspicion as did the British Parliament. But even then the government will need the assistance of union officials to devote themselves seriously throughout their organizations to the attainment by their workers of high standards of production per man hour irrespective of established union restrictions.

Fourth, while the government is reserving to itself the power to force upon contractors such labor standards as may be established under its auspices, among these the rule that contractors shall not discriminate

against union labor, it must be prepared to protect production from interruption by local strikes for unionization of shops or for demands not satisfied by decisions of federal adjustment bodies. The government has been relying upon labor union officials, whose control of labor is only partial and uncertain, for bringing about that voluntary local restraint which must, if possible, be made to take the place of any governmental restraint. If the unions prove unable to furnish this element of stability, the government may have to supply it through some method which would still have to be evolved.

LOUIS B. WEHLE.

WASHINGTON, D. C.

APPENDIX

DOCUMENTS ON LABOR PROBLEMS DURING THE WAR

1. AGREEMENT AS TO WORKING CONDITIONS IN THE COLUMBIA RIVER DISTRICT

(1) Eight hours shall constitute a day's work.

(2) All time worked over the regular eight hour day shall be paid for at rate or rates to be established by the Shipbuilding Labor Adjustment Board, including holidays; New Year's Day, Washington's Birthday, Decoration Day, July Fourth, Labor Day, Thanksgiving Day, Christmas Day, and General Election Days.

(3) The employees in each craft or calling in a shop or yard shall have the right to select three (3) of their number to represent them as members of a shop committee. Each member of this committee shall be chosen by majority vote through secret ballot in such manner as the employees shall direct. The Chairman of each craft committee shall be a member of the joint shop committee.

(4) When a grievance arises it shall be taken up by the committee, first, with the foreman, second with the superintendent. In the event the question has not been adjusted the committee shall then

take the matter up with the president of the company. If the matter cannot be adjusted between the shop committee and the president, the shop committee shall have the right to call into conference with the president a representative chosen by the committee. In case the president fails to adjust the matter satisfactorily it shall be submitted to the Examiner to be appointed by the Shipbuilding Labor Adjustment Board as provided in memorandum of August 20, 1917, which is attached hereto and made a part hereof.

(5) Employees shall be paid every Saturday at time of quitting work and in no case shall more than three days pay be held back. This practice to be put in effect as soon as practicable.

(6) Any employee being laid off, discharged or quitting of his own volition shall within twenty-four hours receive all wages due him.

(7) A trained nurse shall be in attendance to render first aid at all times whenever men are working.

(8) So far as practicable and when men are available, all labor in connection with construction work and repairs shall be done by employees in the trade or calling generally recognized as having jurisdiction therein.

(9) All questions relating to basic wage scale and overtime shall be left to the determination of the Shipbuilding Labor Adjustment Board, such determination of wages to be retroactive as said Board shall direct.

(10) Any committeeman appointed hereunder who shall be found to have been discharged without just and sufficient cause after due investigation in the manner herein provided for the adjustment of grievances shall be reinstated with full pay for all time lost.

(11) The question of employing apprentices shall be taken up for adjustment in the manner provided herein for the adjustment of grievances.

(12) In view of the fact that the existing strike was called on account of differences which have now been adjusted, no discrimination shall be practised in the reemployment of the former employees.

(13) It is understood and agreed that any concessions of recognized principles by either party to this agreement shall be without prejudice for the sole purpose of assisting the Government in the successful prosecution of the war, but that this agreement shall continue during the period of the war.

HARNESS AND SADDLERY ADJUSTMENT

1. There shall be created a National Harness and Saddlery Adjustment Commission hereinafter referred to as "The Commission," composed of four members, of which two members shall be appointed by the Secretary of War to represent the public; one

member by the manufacturers signatory hereto, and one member by the United Leather Workers' International Union. One of the members of this Commission appointed by the Secretary of War shall be designated by him as chairman. Each member, including the chairman, shall be entitled to one vote, and a majority vote shall govern in all cases.

2. The Commission shall adjust all differences now existing or that may hereafter arise between the contractors and employees engaged in the production of articles under agreement to which the United States is a party, including wages, hours, and conditions of labor. The Commission may adopt rules, regulations, and methods of procedure in order to carry this agreement into effect, and all decisions or adjustments made by it shall be binding upon and complied with by the contractors signatory hereto, who have contracts with the United States, and also by the operatives, members of the United Leather Workers' International Union represented in the execution of this agreement by their president.

3. This agreement shall be in full force and effect for the duration of the present war.

4. The parties hereto severally agree that during the war there shall be no interruption of work upon which they are engaged in the carrying out of contracts to which the United States is a party.

5. In the event that any changes in wage scale are made or approved by the Commission in carrying out its functions under this agreement, compensatory adjustments shall be made by the United States in accordance with the recommendations of the Commission.

6. The scale of wages for operatives for work done under contracts to which the United States and the contractors signatory hereto are parties, shall in no case be less than is now in effect.

7. The contractors signatory hereto agree that non-union labor employed in carrying out work under a contract to which the United States is a party shall receive the same rates of compensation as the members of the United Leather Workers' International Union.

(The signatures attached to this document were those of about forty persons, partly contractors, and partly officials of labor organizations.)

SEPTEMBER 26, 1917.

3. SUMMARY OF RECOMMENDATIONS TO ARSENAL COMMANDERS AND OTHER EMPLOYERS

CONTAINED IN GENERAL ORDERS, No. 13, OFFICE OF THE CHIEF OF ORDNANCE, WASHINGTON, D.C., NOVEMBER 15, 1917

In view of the urgent necessity for a prompt increase in the volume of production of practically every article required for the conduct of the war, vigilance is demanded of all those in any way associated with industry, lest the safeguards with which the people of this country have sought to protect labor should be unwisely and unnecessarily broken down. It is a fair assumption that for the most part these safeguards are the mechanisms of efficiency. Industrial history proves that reasonable hours, fair working conditions, and a proper wage scale are essential to high production. During the war every attempt should be made to conserve in every possible way all of our achievements in the way of social betterment. For this reason a memorandum summarized in the following outline has been prepared, in the hope of giving publicity to broad policies which, in the opinion of the department, should obtain in establishments acting as its agents in turning out munitions and supplies of war. The complete memorandum may be obtained from the department.

I. HOURS OF LABOR

1. *Daily hours.* — The day's work should not exceed the customary hours in the establishment or the standard already attained in the industry and in the community. It should certainly not be longer than ten hours for an adult workman. The drift in the industrial world is toward an eight hour day as an efficiency measure. It has also been shown that hours of labor must be adapted to the age and sex of the worker and the nature of the occupation.

2. *Overtime.* — The theory under which we pay time and a half for overtime is a tacit recognition that it is usually unnecessary and always undesirable to have overtime. The excess payment is a penalty and intended to act as a deterrent. There is no industrial abuse which needs closer watching in time of war.

3. *Shifts in continuous industries.* — Eight hours per shift should be a maximum in continuous twenty-four hour work.

4. *Half holiday on Saturday.* — The half holiday on Saturday is already a common custom in summer, and it is advantageous throughout the year, especially if the workday be ten hours long the other days of the week. The working period on Saturday should not exceed five hours. An occasional shift of two or three hours on Saturday afternoons is unobjectionable if essential, but the addi-

tional hours should be regarded as overtime and paid for on that basis.

5. *Hours posted.* — It is desirable that the hours of labor for every tour should be posted.

6. *Holidays.* — The observance of national and local holidays will give opportunity for rest and relaxation, which tend to make production more satisfactory.

7. *One day of rest in seven.* — One day of rest in seven should be a universal and invariable rule.

II. STANDARDS IN WORKROOMS

1. *Protection against hazards and provisions for comfort and sanitation.* — Existing legal standards to prevent danger from fire, accident, occupational diseases, or other hazards, and to provide good light, adequate ventilation, sufficient heat, and proper sanitation, should be observed as minimum requirements.

2. *Location of toilets.* — All toilets should be sanitary and readily accessible.

3. *Extreme temperatures.* — Those processes in which workers are exposed to excessive heat — that is, over eighty degrees — or excessive cold — that is, under fifty degrees — should be carefully supervised so as to render the temperature conditions as nearly normal as possible. When extreme temperatures are essential, workers should not only be properly clothed but sudden changes should be avoided.

4. *Lights.* — If any light is at the level of the worker's eyes, it should be so shaded that its rays will not directly strike the eyes.

III. WAGES

1. *Wage standards.* — Standards already established in the industry and in the locality should not be lowered.

2. *Minimum wage rates.* — It is necessary that minimum wage rates bear a constant relation to increases in the cost of living.

3. *Attitude toward wage demands.* — It is just and wise to consider demands for increase in wages, in the light of facts showing increases in cost of living. The enticement of employees from establishments doing munitions work for the Government is disapproved and should be discouraged.

IV. NEGOTIATION BETWEEN EMPLOYEES AND EMPLOYERS

The need of preserving and creating methods of joint negotiations between employers and groups of employees is especially great, in the light of the critical points of controversy which may arise in a time like the present. Existing channels should be preserved and new ones opened, if required, to provide easier access for discussion between an employer and his men over controversial points.

V. STANDARDS FOR EMPLOYMENT OF WOMEN

1. *Hours of labor.* — Existing legal standards should be rigidly maintained, and, even where the law permits a nine or ten hour day, efforts should be made to restrict the work of women to eight hours.

2. *Prohibition of night work.* — The employment of women on night shifts should be avoided as a necessary protection, morally and physically.

3. *Rest periods.* — No women should be employed for a longer period than four and a half hours without a break for a meal, and a recess of ten minutes should be allowed in the middle of each working period.

4. *Time for meals.* — At least thirty minutes should be allowed for a meal, and this time should be lengthened to forty-five minutes or an hour if the working day exceeds eight hours.

5. *Place for meals.* — Meals should not be eaten in the workrooms.

6. *Saturday half holiday.* — The Saturday half holiday should be considered an absolute essential for women under all conditions.

7. *Seats.* — For women who sit at their work, seats with backs should be provided, unless the occupation renders this impossible. For women who stand at work, seats should be available and their use permitted at regular intervals.

8. *Lifting weights.* — No woman should be required to lift repeatedly more than twenty-five pounds in any single load.

9. *Replacement of men by women.* — When it is necessary to employ women on work hitherto done by men, care should be taken to make sure that the task is adapted to the strength of women. The standards of wages hitherto prevailing for men in the process should not be lowered where women render equivalent service. The hours for women engaged in such processes should, of course, not be longer than those formerly worked by men.

10. *Tenement-house work.* — No work shall be given out to be done in rooms used for living purposes or in rooms directly connected with living rooms.

VI. STANDARDS FOR EMPLOYMENT OF MINORS

1. *Age.* — No child under fourteen years of age shall be employed at any work under any conditions.

2. *Hours of labor.* — No child between the ages of fourteen and sixteen years shall be employed more than eight hours a day or forty-eight hours a week, and night work is prohibited.

3. *Federal child-labor law.* — These and other provisions of the Federal child-labor law must be strictly observed.

4. *Minors under eighteen.* — Minors of both sexes under eighteen years of age should have the same restrictions upon their hours as already outlined for women employees.

WILLIAM CROZIER.

*Major General, Chief of Ordnance,
United States Army.*

4. CHICAGO PACKERS' MEDIATION

This agreement for arbitration, made and entered into this — day of December, 1917, between Illinois State Federation of Labor, Chicago Federation of Labor, Stockyards Labor Council, International Brotherhood of Stationary Firemen, International Union of Steam and Operating Engineers, International Brotherhood of Blacksmiths, International Association of Machinists, United Associations of Plumbers and Steamfitters of the United States and Canada, International Brotherhood of Electrical Workers, Coopers' International Union of North America, Brotherhood of Railway Carmen of America, and Amalgamated Meat-Cutters and Butcher-Workers of North America, hereinafter referred to as the Unions, the parties of the first part, for their members who are employees of the Companies, and the President's Mediation Commission, the party of the second part,

WITNESSETH:

That, whereas, differences have arisen between Armour and Company, The Cudahy Packing Company, Morris and Company, Swift and Company, and Wilson and Company and their employees, involving wages, hours, and conditions of employment; and

Whereas, the President's Mediation Commission, acting in the name of the President of the United States and by virtue of the authority vested in it by him, has made investigations with a view to a settlement for the duration of the war of all existing differences and of differences that may hereafter arise, in order that there may be no interruption, cessation or curtailment in the supplies and services furnished by the Companies essential to the successful prosecution of the war and the military activities of the Government; and

Whereas, the President's Mediation Commission, in view of the national crisis, without the intent of encouraging or discouraging the formation of trades unions, has expressed the opinion that every effort and sacrifice should be made in order to settle such disputes; and

Whereas, the Unions, in view of the national crisis, are willing to accede to the request of the President's Mediation Commission as to the conditions upon which such disputes should be settled;

Now, therefore, the respective parties do hereby mutually covenant and agree as follows:

ARTICLE I

The Unions agree that no strikes shall be called during the period of the war.

ARTICLE II

The President's Mediation Commission agrees to use every effort to bring about the full performance not only of the letter but also of the spirit of this agreement by all the parties hereto, so that strikes or lockouts will not occur during the period of the war.

ARTICLE III

It is further agreed by all the parties hereto:

(1) That John E. Williams shall be the United States Administrator to act under this agreement, and in the event of his failure or inability to act, notice thereof shall be given to the Secretary of Labor acting for the President's Mediation Commission, whereupon an Administrator shall be appointed by the Secretary of Labor with the approval of the National Council of Defence, after consultation with the Companies and the Unions. The United States Administrator shall have power to appoint an assistant or assistants to exercise such powers as are conferred upon the United States Administrator by this agreement, such exercise to be subject to review by the Administrator in such cases, as, and to the extent to which, he deems such review necessary.

(2) That all grievances and disputes on the part of employees of the Companies shall be taken up with the foreman or other immediate superiors of the affected employee or employees, and then, if they cannot be so adjusted, with the superior officers of the Company in regular order until the matter shall have been submitted to the general manager, if not adjusted by some one of his subordinate officers. If any grievance or dispute cannot be thus adjusted, it shall be submitted to the United States Administrator for arbitration by him, and his decision shall be binding upon all the parties hereto. Grievances and disputes may be submitted to any of the officers of the Companies, and to the United States Administrator, by any employee or employees, either in person or through their representatives.

(3) That all other pending and future disputes between the Companies and their employees, in case of inability to agree between

themselves, may similarly be submitted to the United States Administrator for arbitration.

(4) That this agreement shall apply to the Companies' plants in Chicago, Illinois, Kansas City, Sioux City, Iowa, St. Joseph, Missouri, St. Louis, Missouri, East St. Louis, Illinois, Denver, Colorado, Oklahoma City, Oklahoma, St. Paul, Minnesota, Omaha, Nebraska, and Fort Worth, Texas.

(5) That this agreement shall continue in effect, and the parties hereto, for themselves, their successors and their assigns, expressly agree to be bound hereby, during the continuation of the war.

The questions contained in the memorandum attached hereto shall be submitted to arbitration immediately the Administrator assumes his duties.

In witness whereof the parties to this agreement have caused the same to be executed by their respective officers and representatives thereunto duly authorized, all on the day and year first above written.

Illinois State Federation of Labor, by V. A. Olander. Chicago Federation of Labor, by John Fitzpatrick, E. N. Nockels, J. J. Kikuhki. Stockyards Labor Council, by Martin P. Murphy, Wm. Z. Foster, J. W. Johnstone, R. T. McMillen. International Brotherhood of Stationary Firemen, by ——. International Union of Steam and Operating Engineers, by Albert Peterson. Amalgamated Meat-Cutters and Butcher-Workmen of North America, by Dennis Lane. International Brotherhood of Blacksmiths, by Edw. Tegtmeier. International Association of Machinists, by B. H. Rendell. United Association of Plumbers and Steam Fitters of the United States and Canada, by ——. International Brotherhood of Electrical Workers, by William J. Barrett. Coopers' International Union of North America, by Jacob P. Maurer. Brotherhood of Railway Carmen of America, by Wm. S. Foster. The President's Mediation Commission, by W. B. Wilson, Chairman; J. L. Spangler, J. H. Walker, E. P. Marsh, Verner Z. Reed, Felix Frankfurter, Secretary.